

(c) the estimated loss on account of non-payment of taxes by these companies during the year 1999 and 2000 so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR: (a) Mauritius based Foreign Institutional Investors (FIIs) have been investing from 1993, after Government of India allowed foreign investment in Indian capital market in September, 1992. These companies are not taxable in India in regard to capital gains on sale of shares of Indian companies under the Double Taxation Avoidance Convention (DTAC) between India and Mauritius of 1983.

(b) There is no requirement for these companies to sign DTAC. From January, 1993 till 31.3.2000, 135 FIIs/ sub-accounts registered in Mauritius have invested in India.

(c) Benefits available under treaty provision do not amount to non-payment of tax resulting in loss of revenue.

Closure of sick PSUs

227. SHRI NAGENDRA NATH OJHA:

SHRI V.V.RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to close down six public sector undertakings;

(b) if so, the names of the PSUs and the number of workers expected to be rendered unemployed; and

(c) whether the statutory dues by way of Salary, Provident Fund, Gratuity etc, are being paid to the workers ; if so the details in the regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR: (a) and (b) Yes, Sir. It has been decided to take action for closure of six PSEs which have been considered unviable, after exploring all possibilities of revival and to extend benefits under the Voluntary Separation Scheme to their employees which would be substantially higher than the compensation available under the ID Act. This decision will benefit about 3700 remaining employees in these PSUs namely Mining & Allied Machinery Corporation (MAMC), National Bicycle Corporation of India Ltd. (NBCIL), Bharat Process & Mechanical Engineers Ltd (BPMEL), Weighbird India Ltd. (WIL), Rehabilitation Industries Corporation (RIC) and Tannery and Footwear Corporation Ltd. (TAFCO).

[25th July, 2000]

RAJYA SABHA

(c) A provision of Rs. 200 crores has been approved by the Government for the purpose of payment of statutory dues by way of Salary, Provident Fund, Gratuity etc. including VSS benefits.

Power to fix limits on professional tax to States and UTs

228. SHRI RAMDAS AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to hand over the power to fix a limit on Professional tax to States and Union territories by amending the Constitution of India;

(b) whether any consensus in this regard was arrived at the conference of State Chief Ministers and Union Finance Minister held recently in New Delhi; and

(c) whether any decision was taken at the Centre-States level conference to reduce mounting States, deficit, reduction in non-plan expenditure and, if necessary, to take tough decisions to restore over-all stability of the country?

THE MINISTER TO STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) Discussion was held on this issue in the Conference of Chief Ministers held on 22.6.2000- A consensus emerged that the power to fix limit on professional tax should be given to the States by amending the Constitution after proper discussions.

(c) No, Sir.

SC/ST quota in promotion of Customs and Excise, Inspectors

†229. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether SC/ST quota in the promotion of Inspectors in the Department of Customs and Excise has been filled;

(b) if not, the reasons therefor;

(c) whether posts reserved for SC/ST have been filled up with persons from general category;

(d) whether Customs and Excise Board has issued any orders with a view to rectify this irregularity; and

† Original notice of the question was received in Hindi.